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CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	INFORMATION
Plaintiff,	)	1:16 CR 376
v.	)	CASE NO.
ANDREW KOSHAR,	)	Title 18, United States Code, Sections 1341, 2
Defendant.	)	JUDGE PEARSON

The United States Attorney charges:

GENERAL ALLEGATIONS

At all times material to this Information:

1. Defendant ANDREW KOSHAR (hereinafter "Defendant") resided in the Northern District of Ohio.

2. In or around April 1980, Defendant began working for a company that owned and operated several automobile dealerships throughout the Northern District of Ohio (hereinafter, the "Company"). In or around June 1994, Defendant was promoted to Assistant Manager of the parts department of one of the main dealerships the Company owned and operated (hereinafter, the "Parts Department").

3. As Assistant Manager of the Parts Department, Defendant was responsible for, among other things, handling cash and processing payments for auto parts the Company sold and delivered to local automobile dealerships and repair shops.

4. The Parts Department received a mix of cash and check payments on a daily basis from the sale of auto parts to customers throughout the Northern District of Ohio and elsewhere. It was the practice of the Company to place the payments received from auto parts sales into a safe overnight for processing the following morning. In the morning, a Parts Department employee removed the payments from the safe, reconciled the payments with the related invoices, and then changed the status of the related invoices within the Company's accounting system from "pending" to "paid" to reflect that the customers had in fact paid for the delivered auto parts.

5. Generally, changes made to the status of invoices within the Company's accounting system were applied by the system overnight. When an invoice was designated "paid" within the Company's accounting system by a Parts Department employee, the Company's cash account within the accounting system would reflect the receipt the following day. The Company's accounting department (the "Accounting Department") performed reconciliations of accounts on a monthly basis to ensure cash receipts balanced with invoices marked "paid" by the Parts Department. If an invoice was designated "pending," it was not reconciled to the cash account by the Accounting Department because the invoice was considered to be outstanding and in need of collection.

6. Payments of parts orders were generally due upon the customer's receipt of the parts; therefore, aged, outstanding invoices were of a concern to the Parts Department Manager. It was a regular business practice of the Company to prepare a report which listed all outstanding

or "pending" invoices (the "Pending Invoice Report"). The Pending Invoice Report was generated twice per week and reviewed by Defendant's immediate supervisor, the Parts Department Manager. As the Assistant Manager of the Parts Department, Defendant knew the specific days and approximate times that the Company generated the Pending Invoice Report.

COUNT 1
(Mail Fraud, 18 U.S.C. §§ 1341 and 2)

The United States Attorney further charges:

7. The United States Attorney realleges and incorporates by reference the allegations set forth in paragraphs 1 through 6 of the Information as if fully set forth herein.

8. From at least in or around 1999 to in or around December 2016, the exact dates being unknown to the United States Attorney, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant ANDREW KOSHAR devised and intended to devise a scheme to defraud the Company and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

It was part of the scheme that:

9. Defendant embezzled from the Company cash from the sale of auto parts and, after embezzling the cash, destroyed the paper copy of invoices related to those auto parts sales.

10. In furtherance of the scheme, Defendant used, without authorization, login credentials of former Company employees to falsely manipulate the status of the destroyed invoices in the Company's accounting system. Immediately before the Company generated the Pending Invoice Report on a bi-weekly basis, Defendant changed the status of the destroyed invoices from "pending" to "paid." This ensured the Company would not discover the embezzlement scheme because the related invoices would not appear on the report. After the

Pending Invoice Report was generated, Defendant reversed the status of the destroyed invoices from "paid" to "pending" to ensure the accounting records remained in balance.

11. By fraudulently manipulating the status of certain invoices, Defendant intentionally caused the Company's accounting system to falsely represent that the destroyed invoices that related to the embezzled cash were "pending," when in fact they were "paid," but Defendant had embezzled the cash. This created the false appearance to the Company's Accounting Department that invoices marked as "paid" within the accounting system matched the cash deposits for the day, when in fact, they did not, thereby concealing the Company's discovery of the scheme.

12. From at least in or around 1999 through December 2016, Defendant embezzled approximately $136,213.24 from the Company.

13. In order to further conceal discovery of the scheme, Defendant, from time to time, a) applied newly received cash from the sale of auto parts to older invoices for which Defendant had embezzled cash; b) issued false credits to the Company customer accounts for parts that were never returned; and c) periodically took loans or other withdrawals from Defendant's 401k retirement plan (the "401k Plan") in order to apply the cash to cover losses Defendant created through his embezzlement.

14. Between on or about March 27, 2015 and March 31, 2015, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant, for the purpose of executing the scheme and artifice, caused a matter to be delivered by the United States Postal Service and private and commercial interstate carrier, from Colorado to the Northern District of Ohio, in accordance with the directions thereon.

15. On or about March 27, 2015, Defendant applied for a $24,000 loan from his 401k Plan. In applying for that loan, Defendant caused the administrator of the 401k Plan to mail Defendant loan check number 1006377131 from Colorado to Ohio.

16. On or about March 31, 2015, Defendant deposited loan check number 1006377131 in his account and promptly withdrew the money in small increments of cash.

17. In order to conceal the discovery of the scheme, Defendant then applied the cash from loan check number 1006377131 to older invoices for which Defendant had embezzled the cash.

In violation of Title 18, United States Code, Sections 1341 and 2.

CAROLE S. RENDON
United States Attorney

By: Ann C. Rowland
ANN C. ROWLAND
Deputy Criminal Division Chief